

The complaint

Miss D is unhappy with Santander UK Plc. Miss D said Santander hadn't fully made appropriate services available to her. She said she tried to contact Santander about repaying her debt but couldn't due to the long phone wait times. Miss D said she had been subjected to attempted scams where she was led to believe she was talking to Santander but found she wasn't, she found she was talking to someone trying to scam her.

What happened

Miss D wrote to Santander asking it to remove the debt arrears listed on her credit report as a goodwill gesture. She said over the past year she had been a full time student which had caused her financial and emotional strain. She was without income and struggled to meet her financial obligations. Miss D concluded that she was now working again and being paid weekly. She said she was now committed to settling outstanding debts as soon as possible.

Miss D said the "mark" on her credit file was inappropriate and she was now paying back the debt collection agency. She said Santander hadn't communicated correctly with her. She said she went to her local branch, but it couldn't help and told her to go online. Miss D said when she did speak to someone on the phone her circumstances weren't noted or taken into consideration. Miss D said the default on her credit file would affect her future and possibly her career.

Santander said it hadn't made any mistakes here. It said no completed arrangement had been made to clear the outstanding overdrawn balance. This led to the account defaulting in March 2025. It said Miss D first opened her student account in August 2016 and changed it to a graduate account in 2019 and then a current account in 2021.

Santander said its records showed Miss D hadn't used the account as her main bank account since 2021. And she hadn't funded her account with a regular income. It noted her account had remained overdrawn throughout and its Collections Team had sent her 18 letters and several emails asking her to contact it about the outstanding debt and clearing the balance.

Santander said it did eventually speak to Miss D on 3 January 2025 when it sent her a digital budget planner to complete so an affordable arrangement could be made to clear the debt. Santander said, *"this was not completed, and no arrangement was put in place."*

Santander then said Miss D did complete the planner, but it said it had been clear that she also needed to call back *"to discuss a solution for her account, based on her budget planner."* I have seen its system call note which said, *"Sent this to cust, and advs to fill in and call back."* Santander said Miss D never did call back.

It said on 10 February 2025 it sent a letter to Miss D confirming she had 28 days to clear the debt in full or contact it. It said, *"failure to do so would result in your account defaulting."* Santander confirmed *"When an account defaults this is reported to the credit reference agencies and the default will remain on your credit file for a period of 6 years."* Santander said again Miss D never called at this point either.

Santander's call record log showed a conversation with Miss D on 28 March 2025 (by which time the account had already defaulted) confirming as Miss D hadn't called to discuss the payment plan the account had defaulted.

Santander concluded as no error had been made the default notice would remain on Miss D's credit file. It said once an account defaults it is passed to a Debt Collection Agency (DCA) to recover the outstanding balance on behalf of Santander. It gave Miss D the contact details for the DCA so she could call it to discuss clearing the balance.

As Miss D remained unhappy, she brought her complaint to this service.

Our investigator didn't uphold the complaint. She said Santander had been able to example multiple attempts to contact Miss D to make a payment arrangement. But despite all the attempts made it was unable to reach Miss D. She said the time Santander did manage to contact Miss D she didn't call back after providing information it requested. Our investigator accepted Santander had a responsibility as a lender to report accurate information to the credit reference agencies. She said it wasn't appropriate for Santander to remove the default from the credit file.

Miss D didn't accept this and asked for her complaint to be passed to an ombudsman for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand the point Miss D is making about her financial future, but I can see Santander has been sending her correspondence since 2020 highlighting her financial position and what action it wanted her to take. It sent 18 letters along with other correspondence over the period.

Santander noted the lack of response to the discussion on 3 January 2025 when it asked Miss D to complete the digital budget planner. So, when no further call took place it sent the February letter confirming unless a payment plan was completed or the debt settled Miss D's account would be placed in default. At this point there doesn't appear to have been any further action to call Santander by Miss D.

Miss D said that she *"did access and engage with the Budget Planner as instructed."* Miss D sent in an image showing actions on 13 January 2025. The image says, *"workflows on"* and *"assign user"* and then a few days later the next action was Miss D changing her password. So, it is clear Miss D did engage with the digital budget planner. But it's clear from Santander records that this was just one stage of the process. It said once the planner was done Miss D needed to speak to it again by phone to set up the payment arrangement.

Miss D said she acted in good faith and if there was any indication the information hadn't been received or processed correctly, she would have followed up. She said the default was being justified on incomplete or incorrect records. Miss D said, *"Santander's claim that the Budget Planner was not completed appears to overlook this evidence."*

Miss D said that she explicitly informed Santander on multiple occasions by phone that letters, calls, and text messages were not an appropriate way to communicate with her due to being a student on placement and her health issues. And Miss D followed up by saying

she had no emails from Santander when she checked her email accounts apart from the one asking her to complete the budget planner in January.

Miss D concluded by stating Santander hadn't considered her communication needs, had duplicated her complaints while handling them poorly and increased her distress and inconvenience. Miss D noted in recent conversations with Santander it told her it was unaware of her needs and specific requests. So, I think it's unlikely it will have any records of details from Miss D explaining her personal situation. And I'm afraid as complaint handling isn't a regulated activity, I can't make any findings on these points.

Miss D didn't provide any other evidence of scam attempts and why this stopped her contacting Santander. And I don't accept the call wait times for Miss D to speak to Santander were too long.

Santander listed the complete catalogue of its attempts made to contact Miss D via outbound calls, letters, text messages, and emails.

Santander said the default wasn't applied until March 2025. It said this was after discussions with Miss D in January and sending her the February letter giving her a further 28 days. As it had no further response it then acted to default the account.

It's clear that at Miss D did eventually set up the digital budget planner. And she has been paying down the debt during 2025. But I think Santander was clear that not only did it need to be set up Miss D needed to speak with Santander to discuss ongoing arrangements about her debt.

It appears to me that both parties were effectively following their own individual processes. But by this stage I find it hard to say that Santander didn't act fairly and reasonably. Miss D didn't contact it despite clear evidence of instructions to do so after she had set up the budget planner. It's clear Santander had allowed a very long period of time before it took further action on the debt, and it was still writing to Miss D asking her to make contact while it was setting up to update her credit file. So, I think Santander took reasonable steps to allow Miss D the opportunity to speak with it and avoid further action being taken.

I understand Miss D's points about why she didn't, but that doesn't mean Santander has been unfair. It was Miss D's choice not to engage with the process that Santander had clearly laid down. There's no evidence to show Miss D called Santander after the digital planner was completed. Or that Miss D acted to resolve the debt after the February letter either. Also, there's no evidence of correspondence from Miss D where she refers to pointing out her specific needs and requirements.

So, I think Santander has acted reasonably and fairly over the course of dealing with Miss D's debt and its attempts to resolve the matter before it put the account in default and added the credit file record. I don't see anything in Miss D's evidence that I think outweighs the Santander evidence.

There's no reason to set aside what Santander has said so I think it was fair and reasonable when it applied the default to Miss D's credit file.

My final decision

I don't uphold this complaint.

I make no award against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 1 December 2025.

John Quinlan
Ombudsman